

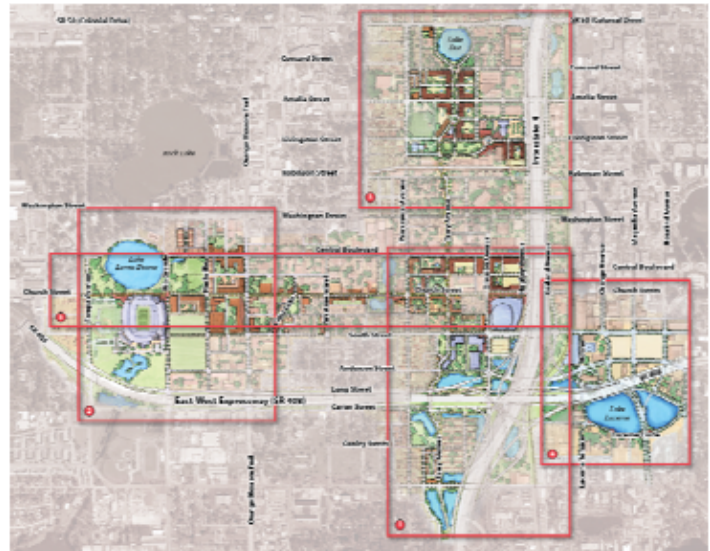
Overview

Downtown Orlando serves as the economic hub of Central Florida and improving downtown gathering spaces not only benefits surrounding neighborhoods, but also contributes to the region's quality of life. Offering a diverse array of cultural and community amenities is necessary to provide for an ever-growing population and to remain globally competitive. Currently, events such as sports championships, top-tier concert and shows are going to other cities and have resulted in a significant loss of economic, educational and cultural opportunities.

The City of Orlando and Orange County have been working with the Venue partners (Orlando Performing Arts Center, Inc., Florida Citrus Sports and the Orlando Magic) over the past two years to conduct an in-depth analysis and make recommendations to enhance the region's Community Venues.

In 2005, the Orlando City Council engaged Glatting Jackson to guide the City through a master planning process to define: how these venues will integrate into and improve our community; how to turn open spaces into magnets for people and activity; and how infrastructure will be woven together to create the community our residents deserve.

Additionally, the Metro Orlando Economic Development Commission in conjunction with Conventions, Sports & Leisure International conducted an important study on the economic impact of the three Community Venues. Initial findings include:



- The operations of the proposed venues would generate approximately **\$619.4 million** in total annual output, including approximately **\$247 million** in earnings and supporting approximately **7,500 jobs** per year. This level of spending would also generate approximately **\$3.5 million** in County Tourist Development Tax (TDT) revenues per year and **\$24.2 million** in State Sales Tax and **\$2 million** in County Sales Tax per year – meaning more sales tax revenue for our County and State to use on other priorities such as roads and education.
- Considering the impacts over time, the operations of the venues would generate approximately **\$9.9 billion** in total output, **\$4 billion** in earnings, **\$357.1 million** in State Sales Taxes, **\$30 million** in County Sales Taxes and **\$52.3 million** in County TDT revenues.
- Over a four-year period, the construction of the proposed community venues is estimated to generate approximately **\$1.1 billion** in total output, including approximately **\$453.1 million** in personal earnings, and would support approximately **10,800 jobs** during the three to four year construction period.

On September 29, 2006 Mayors Dyer and Crotty signed a Letter of Understanding that outlined a proposed funding plan for one of the most significant community investment opportunities in the region's history. Since then, the City and County have been working with the Venue partners to finalize a prudent plan for financing, development, construction and operations to deliver upon this promise to the residents of the City, the County and the entire region for entertainment, sporting and cultural amenities.

The Blueprint For A Sustainable Economic Impact

The development and construction of the Community Venues presents an opportunity for the City to make a significant and long-term, positive economic impact in the minority communities in Orlando and Orange County, along with the local community at large. According to an economic impact study commissioned by the Metro Orlando Economic Development Commission, over a four-year period, the construction of the Community Venues is estimated to generate approximately **\$1.1 billion** in total output, including approximately **\$453.1 million** in personal earnings, and would support approximately **10,800 jobs** during the three to four year construction period.

It is the intent of Mayor Dyer and the entire City Council that the Venue projects serve as a framework and model for inclusiveness and community building throughout the various levels of contracting. Special emphasis should be made to ensure that maximum opportunities are afforded to local, small and disadvantaged businesses, as well as minorities and women, in the areas of job creation and training, business development and the procurement of goods, professional and construction services in association with the construction of the new Venues.

The goals of The Community Blueprint are the framework for implementing and ensuring broad-based community participation related to the Venues.

Goal 1 – Assist the development and support of local, small and historically disadvantaged businesses as an important aspect of the continuing growth and development of the community.

Goal 2 - Develop a local workforce initiative to provide trained workers for Venues construction and retail options created by development.

Goal 3 – Collaboratively work with the Venue partners and other community stakeholders to identify and explore long-term business opportunities in the affected areas.

Goal 4 – Explore the creation of local vendor development/mentor programs through partnerships with contractors, vendors and community-based organizations (CBOs).

Goal 5 – Identify development tools that will result in creating a wide variety of attainable and market housing units that will ensure economic diversity for all residents to work, live, and recreate in the area.

Mayor's Citizens Oversight Committee

Enhanced Community Venues (a new Events Center, Performing Arts Center and renovated Citrus Bowl) will benefit the citizens of Orlando, Orange County and the Central Florida region, providing new quality of life amenities and continuing to diversify the economy.

Mayor Buddy Dyer will establish the Mayor's Citizens Oversight Committee (MCOC) to provide public oversight and review of the Community Venue projects. The MCOC is an ad hoc advisory board that will provide leadership, input and recommendations to the Mayor and City Council, as necessary, to help ensure that the three Community Venue projects are:

- Completed in accordance with the development agreements in place;
- Completed on time, with the highest investment in quality possible; and
- Completed within the budget allocated.

The MCOC is designed to ensure accountability and transparency of the administrative and fiscal activities throughout the development and construction process. The Committee's scope of responsibility includes:

- Review the venues' design, budget, schedule, master planning and construction;
- Monitor minority and local participation in construction and project-related procurement;
- Focus on ensuring community input throughout the development and construction process; and
- Provide recommendations to the Mayor and City Council as needed.

Mayor Dyer will appoint nine members (including the chair), to the MCOC, and seek to include members with expertise in the following areas: Architecture, Construction, Economic Development, Engineering, Finance, Law, Planning, Real Estate, Tourism/Hospitality and Community/Neighborhood organizations. Appointees will be residents of Central Florida.

Citrus Bowl Agreement Outline

Description of Venue

The Citrus Bowl renovation will include the demolition and replacement of the lower bowl structure and enhancements to the remainder of the stadium facilities. The Citrus Bowl will include:

- Spectator seating totaling no fewer than 70,000 seats, (inclusive of up to 5,000 temporary seating)
- 4,000 club seats and approximately 10 new suites
- A 40,000 square foot Stadium Club
- New and enhanced concessions, locker rooms, restroom facilities, press facilities and associated utilities



Development Funding

- The Interlocal Agreement between the City and County will provide \$175 million for funding the improvements:
 - \$145 million will be provided from the 1-5th Tourist Development Tax (TDT) bonds backed by the CRA
 - \$10 million from the proceeds of the redevelopment of the Centroplex
 - \$20 million from the proceeds of CRA Bonds
- Both the City and Florida Citrus Sports will endeavor to identify and solicit funding from other sources if they desire to advance additional improvements to the stadium beyond those identified in the \$175 million project scope

Operations Funding

- The City will continue to cover operational funding for the renovated Citrus Bowl as it currently coordinates through the Orlando Centroplex Department

Design and Construction

- The City shall procure and manage all design and construction services providers necessary for completion of the improvements in compliance with all applicable laws and City ordinances and policies
- Florida Citrus Sports will have the right to review and comment upon the plans, schedule, selection of architects and contractors and change orders
- Florida Citrus Sports and the City will provide opportunities for small, local, disadvantaged, minority and women-owned businesses in the design and construction of the improvements as well as in conducting events in the Citrus Bowl after construction is completed

Operations

- The City will continue to operate the Citrus Bowl during and after the completion of the project
- Florida Citrus Sports in conjunction with the City will seek to retain and enhance existing Bowl games and the Florida Classic and will solicit additional events, which could include Bowl Championship Series games, ACC and SEC conference championship games, other major NCAA football games and other major events

Schedule

- The design will commence in 2007 with construction anticipated to be substantially complete no later than November 1, 2011. Construction activities on-site are planned to begin in 2009 and will be performed during the periods of February 1 through October 31 of each year to enable the Florida Classic, Champs Sports Bowl and Capital One Bowl to be played in the Citrus Bowl each year during the renovation

Events Center Agreement Outline

Description of Venue

The Magic agree to develop an Events Center that is comparable in size, scope and quality, taken as a whole, to the first-class events centers and arenas recently constructed in Charlotte, Indianapolis, Memphis and San Antonio

- The building will contain a minimum of 750,000 sq. ft. with approximately 18,500 seats and at least 40 suites
- It will include fixtures and operating systems to support ice hockey, basketball, arena football, indoor soccer, concerts and conventions as well as restaurants, concessions, locker rooms, dressing rooms, ticket facilities, retail spaces, offices and administrative areas



Funding by Magic

- The Magic will make the following contributions to the construction of the Events Center:
 - \$50 million for construction in cash
 - \$25 million in lease payments, with an agreed present value of \$12 million (\$1 million annual lease payment that equates to \$12 million on a present value basis)
 - Interest on the Magic portion of the construction fund
 - Assume all construction cost overruns in excess of the \$380 million construction budget
 - Provision of bond insurance and coverage of certain costs related to the subordinate debt

Tourist Development Tax Funding

- \$18 million in interest on the public contributions in the construction fund
- \$270 million to be provided from bonds issued on Tourist Development Tax (TDT) funds

State Funding

- \$30 million from the proceeds of bonds backed by the existing state sales tax rebate

Infrastructure

- The construction budget will cover the costs of bringing the utilities from the perimeter of the site to, and within, the events center
- The City will pay all costs required to bring the utilities to the perimeter of the site

Site Assembly

- The City acquires and owns the parcel of land on which the Events Center will be constructed

Capital Repairs

- The City and Magic will continue the existing system of collecting a “facility fee.” All proceeds collected through these fees will be allocated to meet the City’s annual obligation to the Capital Reserve Fund, with any remainder used for the general operations and maintenance of the Events Center
- City will establish a “Capital Reserve Fund” and allocate \$3,000,000 to this fund in the first five years of the term of the Magic lease, with a minimum annual contribution of \$500,000 per year. For the balance of the Magic lease, the City will allocate \$1,000,000 annually to this fund

Operating Expense Contribution

- The Magic will guarantee the City \$750,000 per year from naming rights revenues and \$1,000,000 per year from suite revenues, escalating by 3% per year, toward Events Center operating expenses
- This represents an increase of over \$500,000 over current receipts and guarantees that the City will receive these operational funds annually, rather than the amount fluctuate from year to year.

Operations

- The City will own and operate the Events Center

Construction and Procurement

- Magic will construct the Events Center and assume all cost overruns; City to fund City-requested change orders
- The Magic will utilize an open and competitive procurement process in the selection of a nationally recognized sports architecture firm, construction manager and other third party providers (with the exception of the Magic Parties' construction representative)
- Contracts to be entered into by the Magic with the City named a third-party beneficiary
- The Magic has agreed to meet or exceed the minority business enterprise and women-owned business enterprise requirements of Chapter 57 of the City Code

Magic Lease

- Magic will enter into a 25-year lease with the City, and a 5-year optional renewal. Annual rental payments of \$1,000,000 per year for the first 25 years and \$2,000,000 per year for the 26th year, thereafter increasing by the Consumer Price Index increase for the preceding year
- Magic will retain various revenues from Magic events and the City to retain revenues from non-Magic events
- Magic will retain revenues from suite sales, except for suite tickets to Predators games and the exclusive rights to two suites to be provided to the Predators during the period of any long term lease between the Predators and the City
- The City will receive 100% of the revenues for all other events held at the Events Center – including concessions, merchandise, ticket sales and parking
- Magic will commit to play NBA home games for 25 years, with a non-relocation covenant providing for amortized repayment of public funds, payment of remaining rent, naming rights and advertising revenues, and payment of any penalties required by the state with respect to the sales tax rebates

City Oversight

- City-appointed construction representative has the right to review and provide input at all phases of the design and construction process of the Events Center
- City-appointed construction representative will assist in preparation of the budget and must approve the program statement, specifications, schematics, plans, drawings and design documents
- The Magic Parties agree to cooperate with public oversight and audits in connection with the use of public funds

Schedule

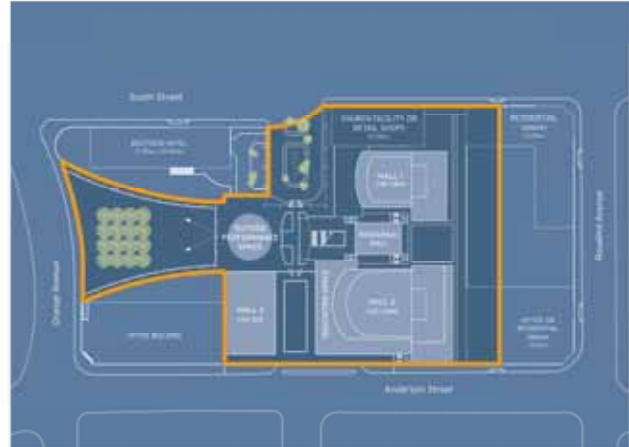
- Bonds required to fund the public contribution of the project development fund will be issued by November 1, 2007. The City will acquire the site and complete all site work necessary for the Magic to commence construction by March 1, 2008. The Magic and the City will work together to cause Substantial Completion to be achieved by the target opening date of September 1, 2010

Performing Arts Center Agreement Outline

Description of the Venue

The Performing Arts Center will be a unique, world-class destination that will showcase the region's performance groups, including the Orlando Philharmonic, Orlando Ballet, Orlando Opera and Festival of Orchestras and others. In addition, it will provide a venue for touring shows. The PAC will include:

- A 2800-seat Amplified Hall, designed for large-scale productions with amplified sound to accommodate larger numbers of patrons and shows with broad appeal
- An 1800-seat Acoustical Hall, a flexible, high-end hall with capability for concert, opera, dance, and drama
- A 300-seat Multi-Purpose Hall, a flexible hall for small local groups to perform such as chamber music, modern dance, local theater, which can be used for education purposes
- A Rehearsal Hall, for performers to practice. It can also be used for small performances, banquets, weddings and other social events
- Common areas, including plaza areas, lobby, box office facilities, catering and food service areas, offices, storage, administrative facilities and service areas
- Education Space to advance learning opportunities and 10,000 sq. ft. of outdoor areas



Location & Site Assembly

- The Performing Arts Center will be located on the approximately 9-acre site that is bounded by Orange Avenue, Rosalind Avenue, Anderson Street and South Street
- To assemble the site, OPAC will acquire two tracts of land within this site, described in the Agreement as the Church parcel and the Maguire parcel. OPAC and the City will then exchange the Maguire and Church parcels for commercial properties so that the City will own the land under the Performing Arts Center

Design, Development & Construction Funding

- OPAC will contribute \$125 million for design, development, construction, operation and maintenance:
 - \$80 million in direct payment of invoices, and land acquisition and closing costs
 - \$16 million – Construction Fund
 - \$25 million – Restricted Endowment Fund
 - \$4 million – Contribution to Operations and in pre-opening expenses
- The City of Orlando shall provide:
 - \$268 million – Tourist Development Tax bonds & other non-ad valorem revenue
- Other funding:
 - \$15 million – State PECO grant to UCF, OPAC & the City of Orlando

Commercial Development

- OPAC will develop OPAC-owned commercial properties
- Any available City-owned commercial parcels will be developed through an open public process

Operations Funding

- CRA Tax Increment revenues from new commercial development on the site
- Earnings on the proceeds of the sale of on-site OPAC development parcels
- Earnings on the investment of the Endowment Fund
- Rent or lease revenues generated from any OPAC on-site development parcels
- Subject to an annual appropriation, \$1.5 million in annual funding for maintenance, repair and replacement from the City (increasing 3% annually)
- \$1 million minimum in annual OPAC fundraising
- Income from building use fees, concessions, and other operating revenue

Procurement

- OPAC will use an open and competitive procurement process to select the production architect, contractor and any other design/construction consultants
- Procurement committee will oversee the selection of the production architect, prime contractor, and general consultants
 - Chaired by OPAC Chairman
 - 2 other OPAC appointees
 - 2 City Mayoral appointees
- Production architect, prime contractor and general consultants selection (and their respective contracts) go to City Council for approval
- All contracts entered into by OPAC with the City named a third-party beneficiary
- OPAC shall ensure that contracts are in compliance with City M/WBE ordinance

Development & Construction Oversight

- OPAC will manage the performing arts center (PAC) development and PAC-related commercial development
- OPAC will contract with a qualified development manager selected by OPAC and paid from private donations
- City will oversee and monitor construction process with City appointed construction representative
- City will fund City-requested change orders; OPAC will fund OPAC-requested change orders
- City Council to approve budget, construction schedule, and the selection and contracts for production architect, prime contractor, and general consultants
- OPAC to provide periodic reporting to City, County and any community oversight board established

Operations & Controls

- OPAC to operate PAC for 99 year term
- OPAC to implement all pre-opening activities
- OPAC to manage all PAC operations, maintenance and repairs
- OPAC to submit annual budgets to the City
- OPAC to submit annual reports and audited financial statements to the City

- OPAC management contract will be terminated if:
 - The stated mission of OPAC is not fulfilled
 - Loss of 501 c(3) status
 - Default on a material term of the agreement
 - If operating sources (operating revenues, private fund raising, endowment earnings, ancillary development revenues, and any other sources) earned or transferred to OPAC are less than operating expenses for three consecutive years or three years in a seven year period, subject to extension due to any force majeure events